

BYLAWS
OF
ARBOLEDA RANCH HOMEOWNERS' ASSOCIATION

ARTICLE I

PURPOSES

Section 1. Purpose. The Corporation is organized and shall be operated exclusively for public health and safety purposes within the meaning of the Internal Revenue Code Section 501(c)(3). These purposes shall include, but are not limited to managing common areas and collecting assessments from Lot Owners within the Arboleda Ranch residential development in Phoenix, Arizona (“Development”) to assure that all common areas within the Development are maintained in a safe and lawful condition.

ARTICLE II

OFFICES

Section 1. Principal Office. The Corporation may have such offices, either within or without the State of Arizona, as may be designated from time to time by resolution of the Board of Directors, one of which may be designated as the principal office.

Section 2. Registered Office and Registered Agent. The Corporation shall maintain a registered office and registered agent in the State of Arizona. The registered office may, but need not be, the same as any of its places of business. The identity and address of the registered agent may be changed from time to time.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Number and Qualifications of Directors. The number of directors shall be three (3) and shall serve for the term provided in Section 3 of this Article. The Board may from time to time change the number of Directors but in no event will this number be less than one (1) nor more than three (3). No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of that

Director's term of office in Section 3. Directors need not be residents of the State of Arizona but must own a Residential Lot in the Development or be a person designated by the Declarant of the CC&Rs affecting the Development

Section 3. Election and Term.

(a) Method of Election. Directors of this Corporation shall be elected at the annual meeting of the Owners of Residential Lots in the Development ("Members").

(b) Term of Office. Directors shall hold office from the close of the annual meeting for a term of three (3) years, or until their successors have been elected and qualified. Directors shall be classified with respect to the time for which they shall hold office by dividing them into three (3) classes, each composed of one Director. The classes shall be staggered such that one class shall stand for election at each annual meeting. Any director who has served for six (6) consecutive years shall be ineligible for re-election for a period of one (1) year immediately following expiration of the sixth full or partial year.

Section 4. Resignation. A director may resign at any time by filing a written resignation with the Chairperson of the Board or the Secretary of the Corporation. Failure of a director to attend three (3) consecutive regular meetings of the Board of Directors without sufficient reason, as determined by the Board, shall be deemed to be a resignation by the director.

Section 5. Removal. Directors may be removed from office with or without cause by a majority of the Members either at a regular meeting or at any special meeting called for that purpose.

Section 6. Vacancies. In the event a vacancy occurs in the Board of Directors from any cause, the remaining Directors shall appoint a person to replace the departed Director until the next Annual Meeting of the Members is held, or if there are no remaining Directors, a Special Meeting of the Members shall be held within 11 days of the date of the vacancy with 10 days prior written notice of the meeting being sent to all Member.

Section 7. Annual Meetings. The annual meeting of the Members shall be held within thirty (30) days of the end of the fiscal year in each year, at such time and place as the Board of Directors may determine, for the purpose of electing Directors. Written notice of the time and place of the Annual Meeting shall be given to all Members at least 30 days prior to the meeting date. The Annual meeting of the Board of Directors shall be held immediately after the meeting of the Members.

Section 8. Regular Meetings. The Board of Directors may provide by resolution for the regular or stated meetings of the Board, to be held at a fixed time and place, and upon the passage of any such resolution such meetings shall be held at the

stated time and place without other notice than such resolution. Regular meetings of the Board shall be held at least eight (8) times per year, unless otherwise ordered by the Board.

Section 9. Special Meetings. Special meetings of the Board of Directors may be held at any time and place for any purpose, unless otherwise prescribed by the Arizona Non-Profit Corporation Act (“ANCA”), on call of the Chairperson of the Board, and shall be called by the Secretary on the written request of any member of the Board of Directors.

Section 10. Meetings By Telephone or Other Communication Technology.

(a) Any or all directors may participate in a regular or special meeting or in a committee meeting of the Board of Directors by, or conduct the meeting through the use of, telephone or any other means of communication by which either: (i) all participating directors may simultaneously hear each other during the meeting, or (ii) all communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in subsection (a), all participating directors shall be so informed. A director participating in a meeting by any means described in subsection (a) is deemed to be present in person at the meeting.

Section 11. Notice and Waiver of Notice.

(a) Notice. Notice of the date, time and place of any annual or special meeting shall be given pursuant to Article IV to each director at least five (5) days prior thereto, but not more than fifty (50) days before the meeting. The notice of any special meeting shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice and matters germane thereto.

(b) Waiver of Notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 12. Quorum. Two-third (2/3) of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. A quorum for Member’s meetings shall be at least ten Members.

Section 13. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 14. Action by Written Consent of Directors. Any action required by to be taken at a meeting, or any other action which may be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Board taken at a meeting.

Section 15. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such director's dissent shall be entered in the minutes of the meeting or unless such director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 16. Compensation. Directors of the Corporation shall not receive compensation for serving as directors, but may receive reasonable compensation for other personal services rendered which are necessary to carrying out the exempt purposes of the Corporation. In addition, directors may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

Section 17. Conflict of Interest. All officers, directors, and employees of the Corporation shall disclose to the Board of Directors any duality of interest or possible conflict of interest whenever the duality or conflict pertains to a matter being considered by the Board and shall abstain from voting on the matter and shall not be counted in determining the quorum for the vote on the matter. In addition, he or she shall not use his or her personal influence on the matter, but may briefly state his or her position on the matter and may answer pertinent questions from other directors.

The minutes of the meeting involving any such situation shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

ARTICLE IV

METHODS OF GIVING NOTICE

Notice of any annual or special meeting of directors, and any other notice required to be given under these Bylaws or the ANCA may be communicated in person, by telephone, telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier, and, if these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published, or by radio, television or other form of public broadcast communication. Oral

notice is effective when communicated. Written notice is effective at the earliest of the following: (a) When received; (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly addressed; or (c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

ARTICLE V

OFFICERS

Section 1. The Board of Directors may elect officers of the Corporation with such titles, terms and authority as the Board deems appropriate. Such officers shall serve for a 12 month period and may be removed by a majority vote of the Board of Directors.

ARTICLE VI

INDEMNIFICATION

The Corporation shall, to the fullest extent permitted or required by Sections 10-3850 to 10-3858, inclusive, of Arizona Revised Statutes, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or required the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, any advance any and all reasonable Expenses incurred thereby in any Proceeding to which any Director or Officer is a Party because such Director or officer is a Director or officer of the Corporation. The Corporation may indemnify its employees and authorized agents, acting within the scope of their duties as such, to the same extent as Directors or Officers hereunder. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which such Director or Officer may be entitled under any written agreement, board resolution, or otherwise. All capitalized terms used in this Article and not otherwise defined herein shall have the meaning set forth in Section 10-3850.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Corporation shall end on December 31st of each year.

ARTICLE VIII

SEAL.

The Corporation has no corporate seal.

ARTICLE IX

CORPORATE ACTS, LOANS, AND DEPOSITS

Section 1. Corporate Acts. Based on prior Board approval, any member of the Board of Directors, or any officer authorized by the Board of Directors shall have authority to sign, execute and acknowledge on behalf of the Corporation, all deeds, mortgages, indebtedness, contracts, mergers, financial structure instruments and sales of assets outside the course of ordinary business.

Section 2. Loans. No moneys shall be borrowed on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Deposits. All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, investment firms or other depositories as the Board of Directors may select.

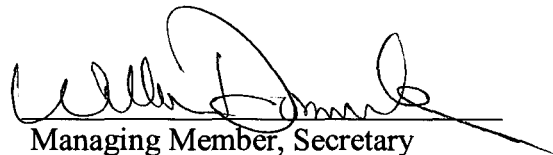
ARTICLE X

AMENDMENTS AND EFFECTIVE DATE

Section 1. Amendments. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Members at any regular or special meeting thereof.

Section 2. Effective Date. These Bylaws shall be effective on the date that any person or entity other than Arboleda Ranch LLC obtains record title to real property in the Development.

Certified a true and correct copy of the Bylaws adopted on the 21st day of November, 2007, by the Board of Directors of Arboleda Ranch Homeowners' Association.


Managing Member, Secretary

**AMENDMENT TO BYLAWS OF
ARBOLEDA RANCH HOMEOWNERS' ASSOCIATION**

WHEREAS, the Bylaws of Arboleda Ranch Homeowners' Association (the "**Bylaws**") were previously adopted; and

WHEREAS, Joseph Carl Homes, LLC, an Arizona limited liability company, the sole member of Arboleda Ranch Homeowners' Association, has adopted the amendments set forth below:

NOW, THEREFORE, the Bylaws are amended as follows:

1. Article I, Section 1 of the Bylaws is hereby deleted and the following substituted therefor:

The purpose of the Corporation is for the transaction of any or all lawful business for which nonprofit corporations may be organized under Arizona law, as amended from time to time. The character of affairs that the Corporation initially intends to conduct is to own, operate, manage, maintain and otherwise deal with the common areas and other property within the Development and to perform all other duties and responsibilities set forth in the Declaration of Covenants, Conditions and Restrictions for Arboleda Ranch Homeowners' Association.

2. Article III, Section 2 of the Bylaws is hereby amended by deleting the last sentence thereof and substituting the following therefor:

Directors need not be residents of the State of Arizona. So long as the Declarant is the Owner of any Lot(s) in the Development, directors do not need to be Owners or Residents of Lots in the Development. After such time as the Declarant is no longer the Owner of any Lot in the Development, each director must be an Owner of a Lot in the Development.

3. Article III, Section 3(a) of the Bylaws is hereby deleted and the following substituted therefor:

(a) Method of Appointment/Election. So long as the Declarant is the Owner of any Lot(s) in the Development, the Declarant shall have the right to appoint all directors of the Corporation. After such time as the Declarant is no longer the Owner of any Lot in the Development, directors shall be elected at the annual meeting of the Members.

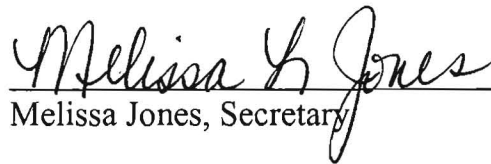
4. Article III, Section 12 of the Bylaws is hereby amended by deleting the last sentence thereof and substituting the following therefor:

A quorum for Members' meetings shall be the number of Members holding at least ten (10) votes in the Corporation.

5. If not otherwise defined herein or in the Bylaws, capitalized terms shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions for Arboleda Ranch Homeowners' Association.

6. As hereby amended, the Bylaws shall remain in full force and effect.

The undersigned hereby certifies this is a true and correct copy of the amendments to the Bylaws adopted by the sole member of Arboleda Ranch Homeowners' Association on the 27 day of August, 2009.



Melissa Jones, Secretary